



Attorney General of New Mexico

COMMISSION
OFFICE OF GENERAL
COUNSEL

NOV 15 A 8 56

PATRICIA A. MADRID
Attorney General

STUART M. BLUESTONE
Chief Deputy Attorney General

GLENN R. SMITH
Deputy Attorney General

November 8, 2006

Via Facsimile #202-219-3923

Lawrence H. Norton, Esq.
General Counsel
Federal Election Commission 999
E Street, N.W.
Washington, D.C. 20463

Re: MUR 5815
State of New Mexico

Dear Mr. Norton:

This response to the above-referenced complaint is filed on behalf of the State of New Mexico (the State).

It is the considered opinion of the State that the New Mexico Republicans filed this complaint purely for publicity and political gain. Accordingly, the Federal Election Commission (Commission) should dismiss the complaint immediately for the reasons set forth below.

The complaint appears to assert that certain official State of New Mexico fliers mailed by the New Mexico Office of the Attorney General (AGO) were somehow related to the federal campaign of Patricia Madrid (Madrid). The State categorically denies this baseless contention.

As a routine component of the resolution of many multi-state lawsuits, courts will require that settlement funds obtained by the State be specifically utilized for public education and consumer protection efforts. From public service announcements aimed at New Mexico's youth decrying the health hazards of smoking cigarettes to warnings about the debt traps waiting for borrowers of short-term payday loans, the AGO has consistently reached out to inform and educate New Mexico's citizenry on public safety and consumer issues over the course of the Madrid administration. See Affidavit of Sam Thompson, attached hereto as Exhibit 1.

28044222389

28044222390

Lawrence H. Norton, Esq.
General Counsel
Federal Election Commission 999
November 6, 2006
Page 2

As part of this on-going commitment to protect and serve as the chief law enforcement agency in New Mexico, the AGO compiled information into certain guides and booklets on the topics of online sexual exploitation of children, identity theft, the high cost of prescription drugs, and the dangers of methamphetamine laboratories. Each flier of which the New Mexico Republicans complain instructs the public on how to report illegal activity or obtain more information from the AGO. These public service mailings to the people of New Mexico are clearly within the duties and statutory authority of the AGO and have no connection to the federal campaign of Madrid.

As the chief law enforcement agency for the state, the AGO has a responsibility and a statutory duty to serve the citizens of New Mexico. See e.g. NMSA 1978, Section 8-5-2 (2003) (duties of the attorney general), Section 8-5-3 (2003) (actions in civil and criminal cases), Section 8-5-17 (2003) (representing consumers before the Public Regulation Commission) & Section 57-12-15 (2000) (enforcement of the Unfair Practices Act). Whether creating a hotline, founding a task force, compiling informational materials or prosecuting the violations of civil or criminal laws, all of these activities represent the means by which the AGO protects the people of New Mexico. In this instance, the AGO mailed fliers to educate the public about the resources available to combat crime as well as to be more effective consumers. Each of these endeavors unquestionably serves a legitimate state interest.

Moreover, no member of the Madrid for Congress campaign staff requested or suggested the creation, production or distribution of these materials. Similarly, no campaign staff cooperated or consulted on any decisions regarding these mailings. The AGO's public information officer was the individual who spearheaded the development, design and implementation of each of these public service campaigns. See Affidavit of Sam Thompson. Furthermore, these informational campaigns were one component of broad based initiatives, the genesis of which transpired years prior to Madrid's campaign for federal office. See Affidavit of Sam Thompson.

High Cost of Prescription Drugs

Back in 2003, Attorney General Madrid initiated a project in response to the high costs of prescription drugs. The AGO compiled a Prescription Drug Pricing Guide available over the AGO website comparing the costs of medications at pharmacies around the state. The Attorney General created this guide within the scope of statutory duties as established by the New Mexico legislature and in accord with court orders entered in specific lawsuits. In July of 2006, the AGO mailed a flier to alert the people of New Mexico to the existence of an updated drug-pricing guide in booklet form.

Lawrence H. Norton, Esq.
General Counsel
Federal Election Commission 999
November 6, 2006
Page 3

28044222391

The complaint by the New Mexico Republicans mischaracterizes the flier as "a piece of campaign literature" and incorrectly asserts that "[t]he only civic service contained in the brochure is a post card and one sentence." The entire piece provides information on the free Prescription Drug Pricing Guide, and the brochure provides an order form for the updated guide. The distribution of this information is wholly consonant with the AGO's statutory and legal duties to inform and protect the consumers of New Mexico. This mailing does not refer to any election, expressly advocate for any candidate, nor solicit any contributions for any candidate. In no shape or form whatsoever did it constitute a contribution by the State to the Congressional campaign of Patricia Madrid.

Internet Crimes Against Children

Similarly, in response to the growing crisis of Internet sexual predators, Attorney General Madrid developed an Internet Crimes Against Children task force, created a Cyber Safety Line, and compiled an Internet Safety Guide for Parents and Teens. These actions were taken in the scope of the Attorney General's responsibilities and obligations to the citizens of New Mexico as its chief law enforcement official. In July of 2006, the AGO mailed a brochure to alert New Mexico families to the danger of these criminals, to offer families specific tools with which they may protect themselves and their children, and to provide information on how to report the sexual exploitation of children online.

The New Mexico Republicans disingenuously complain that the piece is "more about promoting Patricia Madrid's campaign for Congress than preventing sexual abuse on the Internet." Nothing could be further from the truth. The safety brochure gives critical information about the Internet Crimes Against Children task force, website, and the means by which to obtain free internet safety guides for New Mexico parents and teens.

The Attorney General's personal message within the flier clearly demonstrates the purpose of the mailing:

"I need you to help me protect New Mexico's children and teens. Learn how to recognize the dangers of the Internet and how to protect your children from those dangers. Teach your teens how to protect themselves."

This brochure encourages parents and families to protect their children from pedophiles, alert them to available state resources, and provides information on how to report predatory activity. Without question, the distribution of this information is

within the duties of the AGO as the state's chief law enforcement agency. Again, nowhere does this mailing refer to any election, expressly advocate for any candidate, nor solicit any contributions for any candidate; accordingly, it did not constitute a contribution by the State of New Mexico to the Congressional campaign of Patricia Madrid.

Identity Theft

After learning that the personal information of millions of veterans had been stolen, Attorney General Madrid disseminated a mailing alerting possible victims of the availability of the AGO's recently developed Identity Theft Repair Kit. This kit was created within the scope of the Attorney General's responsibilities and obligations to the state of New Mexico as its chief law enforcement official. In June of 2006, the Attorney General's office mailed a brochure to provide veterans and any other victims of identity theft with immediate and specific steps they should take to protect themselves, as well as to inform them of the existence of the free kit.

The complaint describes this mailing, as "clearly a campaign communication disguised as an official alert," and "clearly an attack...on the Federal Department of Veterans Affairs, not an appropriate subject matter for a state government informational advertisement." The New Mexico Republicans apparently support this baseless contention on the mere fact that the flier includes the Attorney General Madrid's name and picture. The mailing alerted veterans to recent and widespread theft of personal information, and offers all New Mexico residents the tools with which they may protect themselves and mitigate damages after such theft occurs.

As with the previously discussed fliers, the issue of identity theft falls squarely within duties and responsibilities of the AGO as the state's chief law enforcement agency. This mailing does not refer to any election, expressly advocate for any candidate, nor solicit any contributions for any candidate. As with the others, this mailing did not constitute a contribution by the State to the Congressional campaign of Patricia Madrid.

Methamphetamine Laboratories

Finally, the State will address the "Meth Labs" brochure. This flier, distributed in August of 2006, contains a message from both the Attorney General and the New Mexico Sheriffs' and Police Association. It alerts readers to the warning signs of a methamphetamine laboratory and provides telephone numbers to use to report a suspected lab. The flier contains the names and pictures of the Attorney General and the President of the Sheriffs' and Police Association.

28044222392

Lawrence H. Norton, Esq.
General Counsel
Federal Election Commission 999
November 6, 2006
Page 5

Even in complaining about the "Meth Labs" brochure, the New Mexico Republicans have to acknowledge grudgingly that the brochure was "produced jointly with the New Mexico Sheriffs' and Police Association – who were motivated to inform their community about the dangers of methamphetamines and clearly not interested in paying to promote Madrid's Congressional bid – the brochure correctly and appropriately lists the warning signs and health hazards posed by methamphetamine."

Once again, as with all the mailings discussed above, this flier serves a legitimate civic service and its production and distribution fall squarely within the purview of the AGO. This mailing does not refer to any election, expressly advocate for any candidate, nor solicit any contributions for any candidate; accordingly, it did not constitute a State contribution to the Madrid Congressional campaign.

Conclusion

The complaint by the New Mexico Republicans against the State of New Mexico does not meet the low threshold set forth in the Commission's regulations for supporting a valid complaint. It appears to argue that informational mailings sent by the Attorney General are somehow contributions to her federal campaign, though the basis for this conclusion is unclear and inconsistent and no specific provision or section of the Act is cited. Merely swearing to speculative and unsubstantiated conclusions not supported by facts or personal knowledge should not give rise to Commission consideration of a matter under review.


As detailed above, all of the Attorney General's brochures serve a legitimate civic function and do not further Patricia Madrid's Congressional campaign. The fliers address the issues of the sexual exploitation of minors over the Internet, the theft of personal information from veterans, the high cost of prescription medications and the dangers of methamphetamine laboratories. Each provides information on how the reader may receive free information directly from the state or supplies contact information for reporting illegal activity. The fliers do not reference an election or solicit contributions, and do not contain express advocacy for or against any candidate. All four fliers serve a legitimate public interest by alerting the people of New Mexico to a particular issue and providing information about state resources. The distribution of all four fliers was within the scope of the Attorney General's office, and did not constitute contributions by the State of New Mexico to Patricia Madrid's Congressional campaign. No state funds have been used as a source of funds for a federal campaign.

28044222393

Lawrence H. Norton, Esq.
General Counsel
Federal Election Commission 999
November 6, 2006
Page 6

The complaint and the documents attached to it do not support a single violation of the Act by the State of New Mexico. For all the reasons set forth above, the Commission should immediately dismiss the subject complaint by the New Mexico Republicans against the State of New Mexico.

Respectfully submitted,


Glenn R. Smith
Deputy Attorney General

Enclosure

28044222394

BEFORE THE FEDERAL ELECTION COMMISSION

State of New Mexico
In re MUR 5815, Madrid for Congress)
_____)

DECLARATION FOR SAM THOMPSON

As the Public Information Officer for the New Mexico Attorney General's Office (AGO), I have been involved with public outreach and educational efforts on a variety of topics throughout the entirety of the Madrid Administration.

Many of our efforts have been in the form of Public Service Announcements. In 2001, the AGO launched a series of tobacco prevention and cessation Public Service Announcements aimed at New Mexico youth.

Two recent topics of particular concern to Attorney General Madrid, predatory lending and Internet safety, were the subject of Public Service Announcements in August 2005. Those announcements directed the public to call the AGO for more information. Members of the public who called were mailed material that had been developed about those topics.

In the fall of 2005 the AGO began work on an Internet safety guide for parents and teens. This guide was ready for public distribution in January 2006.

During the 2006 legislative session the AGO received authorization to use approximately \$500,000 in settlement funds (that came to New Mexico because of the work of the AGO) to use for consumer education and alert programs. At that time I proposed to the Attorney General that the settlement money be used to develop and print more booklets and to use direct mail to let the public know the booklets were available. The Identity Theft Repair Kit was developed in response to the growing problem of identity theft. The Prescription Drug Pricing Guide put into booklet form a program that the office initiated in 2003 and has had available on its website since that time.

At no time was Attorney General Madrid's campaign involved in the development of the booklets or the direct mail pieces at issue in the subject complaint made by the New Mexico Republicans. The members of the Public Information Office developed the initial text of all mailers and the final graphic layout was produced by a private firm under contract to develop the booklets as well. A consultant was used to provide general guidance on developing direct mail pieces to which would read and respond. The consultant offered the idea of a mail back card for people to request the Prescription Drug Pricing booklet – the public response to which was tremendous.

Four sets of materials are attached to this affidavit respectively as Group Exhibits A, B, C & D. Each Group Exhibit provides a sample of dated materials that establish the

28044222395

foundation that led to the development of the outreach informational brochures addressing prescription drug pricing, internet safety, identity theft and methamphetamine crime detection and prevention.

Signed: _____

Sam Thompson

Dated: _____

11/6/06

STATE OF NEW MEXICO)

COUNTY OF BERNALILLO)

ss.

Theresa R. Martinez, Notary Public of the State of New Mexico, does hereby certify that the foregoing Declaration for Sam Thompson was:

SUBSCRIBED, SWORN AND ATTESTED TO before me this 6th day of November, 2006 by Sam Thompson.


THERESA R. MARTINEZ
NOTARY PUBLIC

My Commission Expires: 11/06/07



28044222396

Exhibit A
Prescription Drug Pricing

28044222397

Attorney General of New Mexico



PATRICIA A. MADRID
Attorney General

STUART BLUESTONE
Deputy Attorney General

New Release

FOR IMMEDIATE RELEASE
July 29, 1999

Contact: Robert Reyna
(505) 827-6060

ATTORNEY GENERAL MADRID ANNOUNCES SETTLEMENT IN THE MARKETING OF A SYNTHETIC THYROID REPLACEMENT DRUG

Attorney General Patricia Madrid today announced that under the leadership of her office, and with the Attorneys General from thirty-six other states, New Mexico has reached agreement with Knoll Pharmaceutical Company and BASF Corporation over marketing practices involving the sale of Synthroid®, Knoll's brand of a synthetic thyroid hormone product. As part of the settlement, Knoll has agreed to pay the states \$41.8 million, with New Mexico receiving over \$800,000.

"Many New Mexicans who suffer from hypothyroidism use Synthroid® on a daily basis," Madrid said. "Synthroid® is both the dominant and most expensive synthetic thyroid replacement drug on the market. Attorneys General from the states involved in this action maintain that Knoll's marketing practices have violated various Consumer Protection Laws. The concern of my office is that claims made by Knoll mislead consumers and I want all such practices stopped."

Hypothyroidism is a medical condition in which a person's thyroid does not produce sufficient thyroid hormone. A synthetic thyroid hormone replacement, known as levothyroxine sodium, is the common treatment for hypothyroidism. Over eight million patients in the United States take levothyroxine sodium daily.

Knoll disputes the Attorneys General allegations concerning the ways the company promoted use of Synthroid®. Among the specific acts alleged by the Attorneys General to violate

-more-

their laws were: Knoll suppressed scientific research it had sponsored which failed to demonstrate the superiority of their drug Synthroid®; Knoll's deceptive claims that Synthroid® was a reference product or the standard for levothyroxine sodium products, and was unique or superior to competing brands of levothyroxine sodium products; and Knoll's deceptive claims that no study had shown that any competing brand of levothyroxine sodium product was equivalent to or useful in place of Synthroid®.

New Mexico Director of Consumer Protection, Robert Reyna, who was hired earlier this year by Attorney General Patricia Madrid, was the originator and a major leader in this multi-state effort. "Like the \$1.2 billion tobacco settlement, this case represents the effectiveness of Attorney General Offices around the country working together," said Attorney General Madrid. "I am especially proud of a leadership role played by my Director of Consumer Protection Division, Robert Reyna, in getting this significant consumer protection settlement successfully concluded," added Madrid. "Reyna served as the lead counsel for all the state Attorneys General on this case," Madrid said. "He has helped resolve this case in a manner that will bring more than \$800,000 to the state. Much of this money will be used for consumer education."

The settlement document, called an Assurance of Voluntary Compliance and Discontinuance, requires that in the future Knoll not make any false, misleading or deceptive claim regarding Synthroid® or any other levothyroxine sodium product in advertising, promotion or labeling, regarding:

- 1) superiority or other characteristics of the product;
- 2) bioequivalence of the product to any other drug or new drug, or lack thereof;
- 3) the status of the product as a reference, standard;
- 4) the cost of switching the product;
- 5) any other manufacturer's product;
- 6) any medical rationale for specifying the use or continued use of one product over another;
- 7) the scope, findings or existence of any scientific study, whether published or not, concerning the product.

-more-

In announcing the settlement with Knoll, the Attorneys General pointed out that the safety or efficacy of Synthroid® or any other synthetic thyroid hormone replacement product was never an issue and that individuals who are currently taking the product should not stop taking it because of today's announcement. They further cautioned that individuals who use the product should continue their current medically recommended regimen and that they should discuss any questions they may have with their health care professional.

Knoll, a subsidiary of BASF Corporation, in entering into this settlement, claims that it is doing so without admitting any wrongdoing, without admitting any fact alleged by the Attorneys General, without admitting any violation of state or federal law, rule or regulation and that it was doing so for settlement purposes only.

Joining Attorney General Madrid in reaching this settlement were the Attorneys General from the states of Arkansas, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin.

###

Contact: Sam Thompson (505) 222-9042
December 13, 2001

**Attorney General Sues Bristol-Myers Squibb
for Unlawfully Keeping Generic BuSpar off Market**

New Mexico Consumers, Agencies Forced to Pay More for BuSpar

(Albuquerque, NM) New Mexico Attorney General Patricia Madrid today announced she has filed a complaint with 29 other Attorney Generals against Bristol-Myers Squibb Co. ("BMS") in the United States District Court for the Southern District of New York in regards to a drug named BuSpar.

BuSpar is the brand name used by BMS in marketing a widely prescribed anti-anxiety drug made from the chemical compound buspirone hydrochloride. Last year, BMS's sales of BuSpar were approximately \$700 million.

"Many New Mexicans must devote a considerable amount of their budget to prescriptive drugs. The multi-state investigation we joined led us to believe that Bristol-Myers Squibb's conduct violated federal and state antitrust laws, causing New Mexico consumers and agencies to pay higher prices than they would have had generic equivalents been available. It is not acceptable for the high cost of prescriptive drugs to be the result of the illegal actions of a drug manufacturer," said Attorney General Madrid.

"BuSpar is an anti-anxiety drug frequently prescribed for the elderly," Attorney General Madrid said. "For a four month period this drug manufacturer prevented the generic equivalent from being available to the public, resulting in higher prices for those who use the drug. Given the high cost of drugs, we simply cannot allow manufacturers to take unfair advantage of the public and violate the law to drive our costs higher," Madrid said.

The filing of the complaint follows a multi-state investigation of alleged violations relating to BMS's activities in obtaining a new patent for BuSpar from the Patent & Trademark Office on November 21, 2000, and listing that patent with the Food & Drug Administration ("FDA"). In particular, the investigation focused on whether BMS knowingly made false statements to the FDA concerning the scope of its new patent in an effort to prevent manufacturers of generic drugs from marketing generic buspirone hydrochloride products. The investigating states concluded that BMS did make knowing false statements to federal government regulators in violation of the antitrust laws. Because government regulators (both state and federal), in the performance of their oversight obligations, must rely upon private parties to furnish them with accurate information, the knowing furnishing of false information to federal regulators by BMS implicates a core governmental function.

BMS's improper actions kept generic BuSpar off the market for nearly four months. In so doing, BMS's actions adversely affected thousands of consumers across the United States, including consumers in vulnerable populations, such as the elderly. BMS's actions also harmed state government.

The suit seeks injunctive relief and monetary damages on behalf of New Mexico consumers and state agencies.

####

A-4

Attorney General of New Mexico



**PATRICIA A.
MADRID**

Attorney General

**STUART
BLUESTONE**

Deputy Attorney General

CONTACT: Joyce Lincoln (505) 827-6199

May 14, 2001

Attorney General Madrid Files Heart Drug Lawsuit for Consumers

(Santa Fe, NM) Attorney General Patricia Madrid today joined in a multi-state lawsuit filed in Detroit against Aventis and Andrx, two major international pharmaceutical manufacturers, for conspiring to keep a cheaper generic alternative to Aventis's Cardizem CD off the market. The conspiracy caused consumers to pay higher prices for the heart drug.

Cardizem CD is a highly effective treatment for high blood pressure, chest pains (angina) and heart disease. It is also quite expensive. During 1997 Hoechst earned over \$700 million from sales of Cardizem CD. The drug was the company's largest revenue producer.

"Drug prices are always an important concern for New Mexico consumers," Attorney General Madrid said. "When, as happened here, a large pharmaceutical company helps to keep a generic version off the market in order to boost profits, this office will act aggressively to protect consumers. This case concerns a maintenance blood pressure drug, and many of those requiring it are elderly and on fixed incomes. With this multi-state lawsuit we hope to recover millions of dollars for consumers across the nation." After the resolution of this lawsuit, New Mexico consumers will be informed how to file a complaint.

Historically, upon entry of the first generic into the market, a generic drug is sold for approximately 70% of its brand name counterpart's price. As additional generics for the same brand name drug become available, the price of the generic versions often falls to 30% of the price of the brand name. Additionally, after a relatively short period of time, almost 90% of the prescriptions for the drug will be filled with one of the generic versions at a much lower cost to consumers and businesses.

However, Hoechst (the parent company of Aventis) and Andrx prevented consumers from switching to a

A-5

generic alternative by conspiring to prevent Cartia XT, Andrx's generic version of Cardizem CD, from entering the market. In July 1998, when Andrx would have been eligible to begin marketing Cartia XT, Andrx instead began receiving "interim payments" of \$10 million dollars per quarter from Hoechst in return for keeping Cartia XT off the market. Hoechst eventually paid Andrx just under \$100 million for keeping Cartia XT from the public for almost one year. The Hoechst-Andrx deal was cancelled after intense negative criticism of the arrangement, the filing of private lawsuits and the beginning of an Federal Trade Commission (FTC) investigation in the Hoechst-Andrx agreement.

"This strikes us as a classic antitrust conspiracy to keep the market from functioning properly," Attorney General Madrid said. "In this case, Andrx had a cheaper, equally effective product, but the Hoechst company paid them to keep it off the market. Consumers were forced to pay higher prices when a cheaper version of their medicine should have been available."

The price for Cardizem CD (240 mg) for a month in July 1998 was approximately \$73. When Andrx brought its product to market (the first generic) it was approximately \$65. Even at this smaller than usual discount, the generic captured 50% of the market in the first six months. Generally, as more generics come onto the market, competition heats up and the price drops. However, in this case—according to the state attorneys general—the company's unlawful agreement created a logjam that prevented any generic from reaching the market. Now that there are three generics competing with the Cardizem CD, the price of Cardizem CD (240mg) for one month is approximately \$66.74, and the generic is \$32.80. This represents a savings for an average consumer of \$33.94, or over 50% of the price of the brand name. Over a one-year period, this amounts to a savings of about \$400 per consumer. There are approximately one million prescriptions for Cardizem CD nationwide.

States who joined this multi-state anti-trust lawsuit are: New York, Michigan, Arizona, California, Idaho, Indiana, Maine, Minnesota, New Mexico, North Carolina, Oklahoma, Utah, West Virginia, Vermont, and the District of Columbia (Washington D.C.).

#####

A-6

CONTACT: Joyce Lincoln (505) 827-6199

March 7, 2003

Attorney General Madrid Settles Major Prescription Drug BuSpar Overcharge Case

(Santa Fe, NM) Attorney General Patricia Madrid today announced a final settlement in the federal antitrust lawsuit brought by New Mexico and thirty-five other states against Bristol-Myers Squibb Co., Watson Pharma, Inc. and Danbury Pharmacal, Inc. involving the widely prescribed, anti-anxiety drug BuSpar (buspirone). The multi-state settlement could result in over \$100 million to the states.

Several state Attorneys General alleged that Bristol and the other defendants took steps to prevent generic equivalents of BuSpar from coming to market in violation of antitrust laws.

"It is difficult for many New Mexicans to pay for the prescriptions they need, and it is intolerable that they unlawfully overcharged. When prescription drug companies try to unlawfully monopolize the markets by preventing competition, we will take action to see that consumers and patients get fair and lawful prices for the medications they need," Attorney General Madrid said. "We cannot allow prescription drug companies to take unlawful advantage of patients."

"This is not the first, nor will it be the last, of lawsuits we will bring on behalf of patients who are being unlawfully overcharged for prescription drugs," Attorney General Madrid said. "We are all concerned about the adequacy of health care coverage and one of the important elements in keeping us healthy is affordable prescriptions. Trying to achieve that end for New Mexicans is a priority for my office."

A nationwide consumer fund will be established and administered by the Plaintiff States. The consumer fund will provide refunds of the excess charges to consumers for the time period allowed by the court (effectively, January 1, 1998 through January 31, 2003). Consumers will have to provide proof of their buspirone purchases during the notice period. The phone number to register for the settlement is 1-800-678-9587. The web site is <http://www.busparsettlement.com/>.

The settlement agreement also contains strong injunctive relief that will prevent Bristol from engaging in this type of unlawful conduct in the future. Bristol will be restrained from attempting to re-list the patent at issue. It will also be barred from attempting to list certain other types of patents if such listings would unreasonably delay generic entry of a drug to the marketplace. Additionally, Bristol will not be able to make false statements or misrepresentations to the FDA. Bristol also will be forbidden to enter into agreements with generic drug manufacturers to settle patent infringement suits, if the result of the agreement would potentially adversely affect competition. The injunction has a ten-year term. The proposed injunction was negotiated in coordination with the Federal Trade Commission, with the FTC taking the lead in the negotiations.

New Mexico will also be reimbursed \$150,000 for the taxpayer dollars spent on overcharges in the purchase of BuSpar by state agencies.

In addition to New Mexico, the other states involved are: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington,

A-7

28044222404

West Virginia and Wisconsin, as well as the District of Columbia and Puerto Rico.

#####

28044222405

Contact: Sam Thompson (505) 222-9042

August 18, 2003

Attorney General Madrid Unveils Prescription Drug Pricing Initiative

(Albuquerque, NM) Attorney General Patricia Madrid announced her Prescription Drug Pricing Initiative at Barelas Senior Center in Albuquerque.

"Many of us are concerned about the high prices of prescription drugs. We have all heard of those who are forced to choose between taking medically necessary drugs and eating. As Attorney General, I have sued pharmaceutical companies for illegal actions that cause consumers to pay too much. I will continue to take such companies to court, however, lawsuits take a long time," Attorney General Madrid said.

"To provide needed relief now, I have developed a Prescription Drug Pricing Initiative that I hope will help New Mexicans save money on their prescription drugs. One of the easiest ways to save money on prescription drugs is to shop around for the best price. I can help New Mexicans do that. My office will be pricing drugs and posting the prices on my web site. For those who don't use the web, I have a toll-free number that will offer price comparisons for pharmacies in Albuquerque, Santa Fe, and Las Cruces. My office has developed a brochure of cost saving tips that is available as well."

Ten drugs are selected each month from a list of the most prescribed drugs. On a single day, these ten drugs are priced at randomly selected pharmacies in Albuquerque, Santa Fe, and Las Cruces. The toll-free phone line will contain prices of the ten most recently priced drugs. The web site will contain pricing information on those drugs priced in previous months.

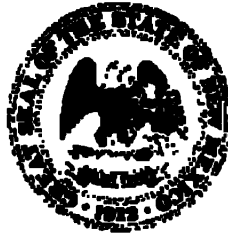
"The price of prescription drugs vary, even from one day to the next. The importance of the price comparisons we are offering is that it gives you an idea of what you could be paying. Obviously, the amount you want to pay is the lowest price with the best service," Madrid said. "I want New Mexicans to get the best price possible and I hope that the price comparisons we provide will help."

#####

The Attorney General's web site address is <http://www.ago.state.nm.us/>. The toll-free number for most current prices is 1-866-258-9308. Media outlets interested in obtaining drug prices on a monthly basis via e-mail should contact Sam Thompson at (505) 222-9042.

A-9

State of New Mexico



**Office of the Attorney General
PATRICIA A. MADRID**

News Release

**For Immediate Release
February 18, 2004**

**Contact: Sam Thompson
(505) 222-9042**

**Attorney General Madrid Announces Drug Pricing Program for
New Mexico's Northwestern Consumers**

(Santa Fe, NM) Attorney General Patricia Madrid announces today that her Prescription Drug Pricing Program has expanded to include pharmacies in Farmington, Aztec, and Bloomfield.

"For those New Mexicans who pay cash for prescriptions, cost can be a major concern. We have all heard of those who are forced to choose between taking medically necessary drugs and eating. As Attorney General, I have sued pharmaceutical companies for illegal actions that cause consumers to pay too much. I will continue to take such companies to court, however, it takes considerable time for such lawsuits to benefit consumers," Attorney General Madrid said. "To help with immediate prescription costs we have developed a prescription drug pricing program to let people know that they do have some control over their own prescription cost "

"When choosing a pharmacy, price may be one of many considerations, but for too many people it is their number one concern. If this concerns you or members of your family the easiest way to save money is to shop around for the best price. My office surveys randomly selected pharmacies each month and posts the prices on our web site and on a toll free line. We began pricing last June and since that time have priced nearly 100 different prescription drugs."

Ten to fifteen drugs are selected monthly. On the second Wednesday of each month these drugs are priced at randomly selected pharmacies in Albuquerque, Santa Fe, Las Cruces and varying Southern New Mexico cities. Beginning this month, the survey has been expanded to include pharmacies in Farmington, Aztec, and Bloomfield. The drugs priced include the most frequently prescribed drugs as well as drugs to treat specific illness including breast cancer and other cancers drugs, Multiple Sclerosis, the flu, and acne.

"The importance of the price comparisons we are offering is that it gives you an idea of what you could be paying. Obviously, the amount you want to pay is the lowest price for the best service," Madrid said. "I hope that the price comparisons we provide will serve as a good starting point for doing your own price comparisons."

more

28044222407

The Attorney General's web site address is www.ago.state.nm.us and the toll free line is 1-866-258-9308. Media outlets interested in obtaining drug prices on a monthly basis via e-mail should contact Sam Thompson at (505) 222-9042.

#####

State of New Mexico



Office of Attorney General
PATRICIA A. MADRID

FOR IMMEDIATE RELEASE

July 22, 2005

Contact: Sam Thompson

(505) 222-9174

CONSUMER ALERT

AG Madrid to Elderly Consumers: Beware of "Prescription Discount" Calls

(Albuquerque, NM)— Attorney General Patricia Madrid's Consumer Protection Division has been made aware of an unknown company, allegedly called "CCR," that is calling elderly consumers and offering apparent sham discounted prescription drugs.

Attorney General Madrid said, "An elderly lady reported to my office that she received a sales call at the nursing home where she lives from a company offering alleged discounted prescription drugs. The woman told a Consumer Advocate in my Office that the person on the other end spoke very fast and told her they got her information and her bank account number from the Internet. In order to sign her up for their discount prescription drug program, they needed her to 'verify' her account number. She was skeptical, though, and did not want to divulge her information. In order to 'prove' to her that they were 'legitimate,' they gave the lady their toll-free telephone number (1-866-753-2451) and told her that it was very important that she call them back soon and give them her information. She called the number shortly thereafter to verify who they said they were. Unfortunately, since they answered, she felt that it was a legitimate company and gave them her bank account number. I want to caution consumers that just calling a company back doesn't necessarily guarantee its legitimacy. If you choose to call them back to check on them, call back on a different day at a different time of day."

"She told my Office that when she called back, the person identified the company as 'CCR, A Customer Service Company.' The lady told her daughter about this call, who immediately became suspicious. The daughter did the right thing and took her mother to the bank and had her account canceled and opened a new one. Thankfully, the lady didn't lose any money, but I'm worried that other consumers may be targeted and harmed by this apparent scam," said Madrid.

The consumer reported to Attorney General Madrid's Office that while she was on the phone, the company's representative claimed \$300 was to be deposited into her bank account as part of the discount program. But when contacted by the Attorney General's Office, the company's representative said that the consumer's bank account was needed to charge her a fee of \$398 to pay for her admission into the alleged prescription drug discount program being offered.

Attorney General Madrid added, "I want to remind all consumers, and especially the elderly and their families, to never give out personal information to people who contact you at random, no matter how legitimate or friendly the caller appears to be. Consumers should be especially protective of Social Security numbers, credit card account numbers, bank account numbers,

—MORE—

A-12

28044222409

Medicare and/or Medicaid numbers and any other information that would allow someone else to access your finances without authorization."

"When you receive calls like this, please ask them to identify themselves, the company making the offer, where they're calling from, and get a number where they can be called back. But please don't send them any money or give them your personal information until they are fully checked out. Please get the information you gather to my Consumer Protection Division (toll free 1-800-678-1508) or others in law enforcement. The information you get can give law enforcement a way to track down the callers, and should also make the callers think twice about attempting to pull a scam on the same consumer. I urge care facilities and retirement homes to distribute this information to their residents and patients," said Madrid.

Attorney General Madrid's Office contacted the company via the same toll-free number given to the consumer. When asked questions about the company's discount program, ownership, location and other contact information, all that was given was a fax number by the representative who answered the phone. On Wednesday, the Attorney General's Office faxed a letter to the number given by the representative asking for proof of the business' legitimacy, proof of the discount program they are allegedly offering and other information about the company. As of the writing of this press release, the company has not responded to the Attorney General's inquiry.

#

Exhibit B
Internet Safety

28044222411

State of New Mexico



**Office of the Attorney General
PATRICIA A. MADRID**

PRESS RELEASE

**For Immediate Release
September 24, 2004**

**Contact: Caroline Buerkle
(505) 222-9175**

**Attorney General Patricia Madrid Awarded Grant to Fight
Internet Crimes Against Children**

(Santa Fe, NM)— Attorney General Patricia Madrid announced today that her office has been awarded a federal grant to form New Mexico's first and only state-level Internet Crimes Against Children Task Force. The \$281,000 federal grant issued by the U.S. Department of Justice, Office of Justice Programs, will allow Attorney General Madrid to investigate, track and combat child sexual predators and pornographers who exploit children through use of the Internet.

Attorney General Patricia Madrid stated, "My Internet Crimes Against Children Task Force will have the tools and knowledge needed to effectively track predators as they prey on children through Internet chat rooms. These added resources will help us track, investigate and prosecute the predators."

"I want to emphasize that while we in law enforcement will do our best, parents should still be the first line of defense in protecting children from these predators. The Internet can offer wonderful learning and exploring possibilities, but it can also be a very dangerous place where criminals prey. This Task Force will help bring on-line predators to justice, but I believe it's still critically important for parents to monitor their children's Internet use and to warn their kids about these Internet dangers."

The Attorney General's Task Force, with personnel overseen by her office, will also rely on the assistance of local, state and federal law enforcement agencies to undertake the mission of protecting New Mexico's children against Internet sexual predators. The Task Force will assist local agencies with training and equipment.

—more—

B-1

28044222412

Page 2: AG Receives Grant to Fight Online Predators

The grant will allow the Attorney General's office to continue with the work initially begun in 2001 by the New Mexico Committee on Internet Crimes Against Children. Should the Task Force be effective, the Attorney General's office will be eligible to receive an additional \$400,000 in another 18 months.

For more information on Attorney General Patricia Madrid's fight to protect New Mexico's children and Internet safety, visit her website at www.ago.state.nm.us.

#

State of New Mexico



Office of the Attorney General
PATRICIA A. MADRID

PRESS RELEASE

For Immediate Release
November 22, 2004

Contact: Caroline Buerkle
(505) 222-9175

**Attorney General Madrid's Internet Crimes Against Children Unit
Announces First Criminal Case**

(Santa Fe, NM)— Within a week of its initial startup, Attorney General Patricia Madrid's Internet Crimes Against Children ("ICAC") Unit has successfully coordinated with the Arizona Attorney General's Office, Maricopa County Sheriff's Office, and the City of Socorro Police Department in conducting its first criminal case resulting in the arrest of a Socorro man accused of soliciting and luring an undercover agent for sex while trolling Internet chat rooms.

Robert Dennis Bixler, 47, of Socorro, New Mexico, was charged in Phoenix, Arizona on Saturday, November 20, with three counts of sexual exploitation of a child and luring a child for sexual purposes. Bixler and an undercover agent from the Maricopa County Sheriff's Department posing as a 13 year-old girl met online during an Internet chat room session. While chatting, both arranged to meet at a designated spot in Phoenix. Bixler was intercepted and arrested en route to the pre-arranged meeting place by Maricopa County Sheriffs.

The Sheriff from Maricopa County contacted the Attorney General's ICAC Unit for their assistance in identifying and issuing the search warrant for Bixler's apartment in Socorro once the arrest had been made. Bond for Bixler was set at \$108,000. If he makes bond, he will be required to wear an electronic monitoring device. Upon his conviction, Bixler will have to register as a sex offender in New Mexico with the State Department of Public Safety.

Attorney General Madrid's Internet Crimes Against Children Unit is New Mexico's first and only state-level crime task force created pursuant to the award of a \$281,000 federal grant issued by the U.S. Department of Justice, Office of Justice Program. The ICAC Unit allows Attorney General Madrid's office to investigate, track and combat child sexual predators and pornographers who exploit children through use of the Internet.

—more—

28044222414

Attorney General Patricia Madrid stated, "As we've seen after only one week in operation, the Attorney General's Internet Crimes Against Children Unit has the tools and knowledge needed to effectively track predators like Mr. Bixler as they prey on children through Internet chat rooms. This is a wonderful resource that helps my office track, investigate and prosecute these predators."

The Attorney General's Task Force will also rely on the assistance of local, state and federal law enforcement agencies to undertake the mission of protecting New Mexico's children against Internet sexual predators. The Task Force will assist local agencies with training and equipment.

A recent study by the National Center for Missing and Exploited Children has shown that one in five children have received unwanted sexual solicitations while on the Internet. Approximately 70% of those solicitations happen while the child is on their computer at home.

Other statistics concerning online predation show:

- One in 33 children received an aggressive sexual solicitation, meaning the predator asked the child to meet somewhere, called the child on the phone or sent the child mail, money or gifts.
- One in four had received exposure to photos containing nudity or explicit sexual acts.
- One in 17 was threatened or harassed.
- Less than 10% of sexual solicitations and only 3% of unwanted exposure incidents were reported to authorities, law enforcement or Internet service providers.
- About a quarter of the youth who encountered sexual solicitations on the Internet informed their parents.

Parents who believe their child has been contacted by an Internet predator should immediately contact local law enforcement, their Internet Service Provider (ISP) and the Attorney General's Office.

#

28044222415

State of New Mexico



Office of Attorney General
PATRICIA A. MADRID

FOR IMMEDIATE RELEASE

September 27, 2005

Contact: Sam Thompson

(505) 222-9174

PRESS RELEASE

Albuquerque High School Event Demonstrates Attorney General Madrid's Sexual Predator "NM Cyber Safety Line"

(Albuquerque, NM)— With help from students at Albuquerque High School and local media personalities, Attorney General Patricia Madrid today demonstrated her NM Cyber Safety Line, and urged New Mexicans to report contacts made with online sexual predators.

Attorney General Madrid said, "It's an unfortunate reality today that because of the ease of Internet access and the relative anonymity online, sexual predators can use the Internet to contact our children with harmful material many of us can't even imagine. My office wants to know when someone, especially our children, receives this kind of dangerous sexually explicit material or if they are sexually solicited while on the Internet. Particularly, we want to find an Internet predator before he or she arranges a face-to-face meeting with a child. With the public's help—including parents and kids themselves—we want to be proactive and search out predators so we can help prevent the harming of a child before he or she gets hurt, kidnapped or suffers even worse harm."

Madrid continued, "A statistic I've seen states that one in five children has been sexually solicited by predators on the Internet. From what I have seen and learned from my office's review of sexual predators online, I think that statistic may be very conservative. I've seen for myself how quickly a child can be contacted in an online chatroom, solicited for sex and sent sexually explicit photos and video. If you have not seen for yourself what happens in some chatrooms, you may find it difficult to comprehend the sheer number of predators who seem to be lying in wait for our young people. At any time of the day or night, the predators are lurking. Parents, we must teach our children to protect themselves."

"I need your help to capture online predators. Please use my NM Cyber Safety Line to report online sexual predators. Using information from these reports, my Internet Crimes Against Children ("ICAC") Unit will investigate, track, and prosecute those who prey on children via chatrooms, e-mail and instant messaging. Reports can be filed by parents or young people. We want to do all we can so that Internet predators no longer feel confident that their anonymity online will protect them from prosecution."

Attorney General Madrid's NM Cyber Safety Line, at www.NMCyberSafety.org, allows the public to file reports with information on incidents of contact with online sexual predators. The website is designed to allow reports to be filed anonymously, or by someone other than the victim of online predation. Reports will be collected by Attorney General Madrid's ICAC Unit.

—MORE—

B5

28044222416

The ICAC Unit is New Mexico's first, and only, state-level Internet Crimes Against Children Task Force. It was created by the award of a \$281,000 federal grant. The grant, issued by the U.S. Department of Justice, Office of Justice Programs, allows the Attorney General's Office to combat child sexual predators who facilitate the exploitation of children through use of the Internet.

The Task Force, primarily consisting of NMAGO personnel, will also rely on the assistance of local, state and federal law enforcement agencies to help protect New Mexico's children. While the main emphasis of the Task Force will be to conduct investigations and prosecutions of persons harming or seeking to harm children in New Mexico, the Task Force will also assist other Internet Crimes Against Children Task Forces nationwide.

#

Exhibit C
Identity Theft

28044222418

Identity Theft Victims by State (Per 100,000 Population)¹

January 1 – December 31, 2005

Rank	Victim State	Victims Per 100,000 Population	Number of Victims	Rank	Victim State	Victims Per 100,000 Population	Number of Victims
1	Arizona	156.9	9,320	26	Alaska	63.4	421
2	Nevada	130.2	3,144	27	Louisiana	62.6	2,831
3	California	125.0	45,175	28	Massachusetts	62.5	3,999
4	Texas	116.5	26,624	29	Ohio	62.4	7,155
5	Colorado	97.2	4,535	30	Montana	58.7	3,043
6	Florida	95.8	17,048	31	Alabama	58.7	2,676
7	Washington	92.4	5,810	32	Kansas	58.6	1,446
8	New York	90.3	17,387	33	Arkansas	58.5	1,447
9	Georgia	87.3	7,918	34	Mississippi	58.4	626
10	Illinois	87.3	11,137	35	Idaho	58.3	1,112
11	Maryland	86.6	4,848	36	South Carolina	58.3	2,116
12	New Mexico	84.7	1,634	37	Nebraska	58.2	949
13	Oregon	81.7	2,973	38	Delaware	58.1	1,180
14	New Jersey	75.5	6,582	39	West Virginia	58.0	1,038
15	Michigan	70.5	7,139	40	North Dakota	57.9	1,038
16	Delaware	69.1	583	41	South Dakota	57.8	1,038
17	Virginia	68.2	5,163	42	Minnesota	57.7	1,038
18	Oklahoma	67.7	2,403	43	North Carolina	57.6	1,038
19	Missouri	67.6	3,920	44	Alabama	57.5	1,038
20	Utah	67.5	1,668	45	West Virginia	57.4	1,038
21	North Carolina	67.1	5,830	46	Mississippi	57.3	1,038
22	Indiana	67.0	4,201	47	Alabama	57.2	1,038
23	Connecticut	65.9	2,313	48	Alabama	57.1	1,038
24	Pennsylvania	63.6	7,908	49	Alabama	57.0	1,038
25	Hawaii	63.5	810	50	Alabama	56.9	1,038

NEW MEXICO
Consumer Sentinel Complaint Figures
January 1 - December 31, 2005

Total Number of Fraud and Identity Theft Complaints from New Mexico Consumers = 3,802



Fraud Complaints from New Mexico Consumers = 2,168

Top Fraud Complaint Categories for New Mexico Consumers

Rank	Top Categories	Complaints	Percentage ¹
1	Internet Auctions	346	16%
2	Prizes/Sweepstakes and Lotteries	316	15%
3	Shop-at-Home/Catalog Sales	281	13%
4	Foreign Money Offers	245	11%
5	Internet Services and Computer Complaints	147	7%

¹Percentages are based on the total number of fraud complaints from New Mexico consumers (2,168).

Amount Paid Reported by New Mexico Consumers

Total No. of Complaints	Total Amount Paid Reported	Total Complaints Reporting Amount Paid	Percentage of Complaints Reporting Amount Paid	Average Amount Paid ²
2,168	\$4,747,689	1,479	68%	\$3,210

²Average amount paid is based on the total number of fraud complaints where amount paid was reported by New Mexico consumers (1,479).

Top New Mexico Consumer Locations for Fraud Complaints

Consumer City	Complaints
Albuquerque	731
Santa Fe	146
Las Cruces	132
Rio Rancho	109
Alamogordo	61

C-2



Identity Theft Complaints from New Mexico Victims = 1,634

Identity Theft Types Reported by New Mexico Victims

Rank	Identity Theft Type	Complaints	Percentage ¹
1	Credit Card Fraud	362	22%
2	Bank Fraud ²	300	18%
3	Employment-Related Fraud	296	18%
4	Phone or Utilities Fraud	268	16%
5	Government Documents or Benefits Fraud	122	7%
6	Loan Fraud	117	7%
	Other	448	27%
	Attempted Identity Theft	85	5%

¹Percentages are based on the 1,634 victims reporting from New Mexico. Percentages add to more than 100 because approximately 22% of victims from New Mexico reported experiencing more than one type of identity theft.

²Includes fraud involving checking and savings accounts and electronic fund transfers.

**Top New Mexico
Identity Theft Victim Locations**

Victim City	Complaints
Albuquerque	685
Santa Fe	95
Las Cruces	94
Rio Rancho	64
Clovis	41

State of New Mexico



**Office of the Attorney General
PATRICIA A. MADRID**

PRESS RELEASE

**For Immediate Release
January 13, 2005**

**Contact: Sam Thompson
(505) 222-9174**

AG Madrid Joins Settlement to Protect Students' Personal Information

Information shared with companies that sold products and services to students

(Albuquerque, NM)— Attorney General Patricia Madrid joined with 42 other states in a consumer protection settlement with National Research Center for College and University Admissions ("NRCCUA") regarding the company's collection of personal information through high school student surveys.

"Protecting the privacy of personal information is important and that includes personal information about our students. The NRCCUA has been surveying our students and the results of those surveys have been shared with commercial entities. These entities solicited our students offering both education and non-education products and services," Attorney General Madrid said.

This settlement was reached under the state's Unfair Practices Act, but Attorney General Madrid reminded parents and students that "another New Mexico law does not allow personal information obtained from our public schools to be used for anything other than legitimate educational purpose without the written consent of the parent or student." That law, Section 22-21-2 NMSA 1978, gives students or parents who receive solicitations in violation of the law a private right of action.

"Parents should be aware that surveys can be given to their high school or middle school students. But federal law allows parents to choose whether or not to allow their students to participate in the surveys. Parents have a choice," Madrid added.

—more—

CB

28044222421

NRCCUA, a Missouri not-for-profit corporation headquartered in Lee's Summit, Missouri, surveys and collects information from hundreds of thousands of high school students each year. In 2001, it collected personal information from more than 2 million high school students who completed its surveys.

NRCCUA and similar organizations provide surveys to U.S. high school teachers and guidance counselors and request that they be given to students to complete. Students may also complete the survey on-line via the Internet. The NRCCUA surveys ask students for personal information, such as their name, address, gender, grade point average, date of birth, academic and occupational interests, racial or ethnic background, and, in the event the student is interested in attending a college with a religious affiliation, the denomination of their choice. Some of the entities, but not NRCCUA, also provide surveys to be given to junior high school students.

The settlement, through an Assurance of Discontinuance ("AOD") requires that NRCCUA:

- Not misrepresent how personally identifiable information will be collected, used or disclosed, or how the collection of the information is funded.
- Disclose clearly and conspicuously why it collects personal information of students and the types of entities to which it is disclosed.
- Make such disclosures in all of its privacy statements and in all questionnaires, survey instruments, and other documents.
- Cease all future use of survey data collected from a student if a parent (in the case of a minor) or an adult high school student requests that the student be opted-out of completing the survey or that NRCCUA cease using previously collected information.
- If NRCCUA changes its current practice and, once again, chooses to use or permits others to use its survey data for non-educational-related marketing purposes, then NRCCUA must supply schools with a notice form to be given to parents telling them the survey may be administered and how to opt their student-children out of completing the survey.

NRCCUA did not admit any violations in settling the matter but agreed to change its practices as required by the AOD. In the AOD, NRCCUA stated that it had ceased permitting use of the student data for non-educational-related marketing purposes in 2002.

Madrid also said that the same right to opt out of completing the surveys is given to high school students aged 18 and older.

As part of the settlement, NRCCUA will make a payment of \$300,000 to the states to be used for attorneys' fees and investigative costs, consumer education, litigation, or for public protection or local consumer aid funds.

#

c4

28044222422

State of New Mexico



Office of the Attorney General
PATRICIA A. MADRID

PRESS RELEASE

**For Immediate Release
February 22, 2005**

**Contact: Sam Thompson
(505) 827-6792**

**National Database Company ChoicePoint Releases Personal
Information About 145,000 Consumers to Fraudsters**

AG Madrid Demands Company Take Action to Protect Consumers

(Santa Fe, NM)— ChoicePoint, a national firm that maintains databases containing virtually every American's consumer data, announced that thieves posing as legitimate businesses obtained access to the personal information of almost 145,000 consumers, including 935 New Mexicans. In light of this, Attorney General Patricia Madrid joined other Attorneys General across the nation to insist that the company take immediate action to notify all citizens in their respective states who may have been affected by the incident.

"ChoicePoint collects personal information on practically every single American consumer and sells this information to private companies and government agencies. This company knows almost everything there is to know about you," said Madrid. "The size of this security breach is almost beyond comprehension. This is the 'Exxon Valdez' of privacy."

Because of the number of consumers whose information was released, Attorney General Madrid urges all New Mexicans to immediately check their credit reports. "These information thieves accessed ChoicePoint information databases that contained basic telephone directory-type information that included names, addresses and phone numbers. More importantly, they also got access to databases containing social security numbers, driver's license numbers and, at times, 'abbreviated credit reports.' The criminals were also able to obtain other public information, such as bankruptcies, liens and judgments, professional licenses and property data."

"Don't wait until you've already fallen victim to identity theft," warned Attorney General Madrid. "Get your credit report now. There are at least 935 New Mexico consumers whose information these identity thieves have gotten access to through ChoicePoint's databases. Even

—MORE—

C-5

28044222423

though you may not have received a notice from ChoicePoint that your information has been compromised, it's imperative that you check your credit report immediately and review it for any newly-opened accounts or loans that you did not authorize."

In early February, shortly after investigating the theft of consumers' information, ChoicePoint sent notices to each of the 144,778 consumers who may have been affected alerting them of the situation. Consumers who receive notices are instructed to call a special toll-free hotline set up by ChoicePoint. The company also announced in the letter that it will purchase credit reports from all three credit reporting agencies for every individual affected and will pay for a full year of a credit monitoring service to those consumers whose information was stolen.

Even though all of the 144,778 consumers may not be actual victims of identity theft, law enforcement officials have notified ChoicePoint that approximately 750 consumers nationwide have been identified as having their information compromised. On February 17, Los Angeles police announced the arrest of a suspect from Nigeria who pled no contest in California State Court in connection with the ChoicePoint theft and was sentenced to 16 months in prison.

Consumers can get a free copy of their credit report by going to the website, www.AnnualCreditReport.com. Consumers without Internet access may order a copy of their credit report by calling, toll-free, 1-877-322-8228. Consumers may also write to request a credit report at: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, Georgia 30348-5281.

#

28044222424

State of New Mexico



Office of Attorney General
PATRICIA A. MADRID

FOR IMMEDIATE RELEASE

June 17, 2005

CONSUMER ALERT

Attorney General Madrid Reacts to MasterCard Security Breach

Millions of Consumers at Risk

(Albuquerque, NM)— Attorney General Madrid reacted to the announcement by MasterCard that a security breach has occurred that affects millions of cardholders.

"I thought that the security breach experienced by ChoicePoint was massive, but according to MasterCard 40 million credit cards are affected by this breach. Nearly 20 times the population of our state appear impacted by this breach in security," Attorney General Madrid said.

"If you hold a MasterCard, Maestro, or Cirrus credit card, I urge you not to wait to be notified that your information was released as a result of this breach. Go on-line and check your account for unauthorized activity. Continue to monitor your account through the next month. If unauthorized charges appear, notify your credit card company immediately."

Consumers can get a free copy of their credit report by going to the website, www.AnnualCreditReport.com. Consumers without Internet access may order a copy of their credit report by calling, toll-free, 1-877-322-8228. Consumers may also write to request a credit report at: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, Georgia 30348-5281.

#

28044222425

State of New Mexico



Office of Attorney General
PATRICIA A. MADRID

FOR IMMEDIATE RELEASE

June 28, 2005

Contact: Sam Thompson
(505) 222-9174

PRESS RELEASE

Attorney General Madrid Seeks Information from CardSystems

Recent Security Breach Raises Concerns

(Albuquerque, NM)— Attorney General Madrid and forty-eight attorneys general from around the nation sent a letter to CardSystems Solutions of Tucson, Arizona, seeking information about the recent security breach.

"New Mexicans have a right to know how the recent security breach occurred and how CardSystems intends to prevent such occurrences in the future. We are also asking the company what steps they have taken lessen the impact of this security breach on those consumers directly affected," Attorney General Madrid said.

"Consumers entrust personal information to numerous companies and financial institutions and I believe those who retain that information have a duty to protect it from theft," Madrid continued. "The privacy of consumers' personal financial information is vital and its protection is paramount."

The letter to Linda Ford, Senior Vice President and Legal Counsel for CardSystems Solutions was sent today and signed by attorneys general from forty-four states and the District of Columbia, American Samoa, the Northern Mariana Islands, and Puerto Rico.

####

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

750 FIRST STREET NE SUITE 1100

WASHINGTON, D.C. 20002

(202) 326-6018

(202) 438-4338

<http://www.naag.org>

LYNN M. ROSS
Executive Director

PRESIDENT
STEPHEN CARTER
Attorney General of Indiana

PRESIDENT-ELECT
THURBERT BAKER
Attorney General of Georgia

VICE PRESIDENT
LAWRENCE WARDEN
Attorney General of Idaho

IMMEDIATE PAST PRESIDENT
WILLIAM H. SCHRELL
Attorney General of Vermont

June 28, 2005

via facsimile and regular mail

Linda P. Ford
Senior Vice President and Legal Counsel
CardSystems Solutions, Inc.
6390 E. Broadway Blvd.
Tucson, Arizona 85710

Re: Security Breach

Dear Ms. Ford:

The undersigned Attorneys General have been following the media reports of the major security breach of nonpublic personal information that has occurred in your company with great interest and concern. *Information Week* reported last week that as many as 22 million Visa-branded cards and 14 million MasterCard-branded cards were exposed to the security breach and that you reported the breach to Visa and MasterCard in late May.

Information Week also reports that your company may have violated provisions of the Payment Card Industry Data Security Standard, a set of security requirements for merchants and payment processors that includes implementing strong access-control measures, regularly monitoring and testing networks, and maintaining an information security policy. This is unacceptable.

We met last week at the National Association of Attorneys General 2005 Summer Meeting and discussed cybercrime and identity theft with a specific emphasis on preventing such security breaches, notifying consumers who have been impacted, and prosecuting individuals who commit identity theft and cybercrimes.

We call upon your company to do the responsible thing and notify all affected consumers immediately. We also ask that you provide us with the following information as soon as

possible:

- The total number of consumers impacted by this breach in each state;
- An explanation of how the breach occurred and the steps your company is taking to mitigate the consumer injury caused by the breach, including your efforts to notify affected consumers;
- An outline of the plan your company has developed to prevent the reoccurrence of such a security breach and a timeline for implementing that plan.

As you are no doubt aware, the breach that occurred at your company is only the latest in a disturbing series of cases where nonpublic personal information has been subject to unauthorized access. In this era of increasing reliance on technology, it is vitally important that those companies entrusted with nonpublic personal information employ the highest levels of security. That's why this issue has risen to the top of the public policy agenda.

We look forward to working with people in your industry, as well as consumer advocates and law enforcement colleagues in both state and federal governments to determine what, if any, changes in the legal and regulatory environment may be necessary to protect the very important interest of personal financial privacy.

We appreciate your company's cooperation in this matter. We look forward to hearing from you by Monday, July 25. If you have any questions regarding the matters covered in this letter, you may contact Washington State Assistant Attorney General David W. Huey at (253) 593-5057.

Sincerely,

Rob McKenna
Rob McKenna
Attorney General of Washington

Troy King
Troy King
Attorney General of Alabama

David Marquez
David Marquez
Attorney General of Alaska



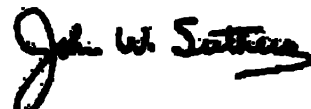
Malietasi M. Toga
Attorney General of American Samoa



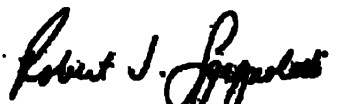
Terry Goddard
Attorney General of Arizona



Mike Beebe
Attorney General of Arkansas



John Suthers
Attorney General of Colorado



Robert J. Spagnoletti
Attorney General of District of Columbia



Charlie Crist
Attorney General of Florida



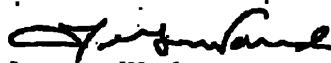
Thurbert E. Baker
Attorney General of Georgia



Mark J. Bennett
Attorney General of Hawaii



Steve Levins, Executive Director
Hawaii Ofc Consumer Protection



Lawrence Wasden
Attorney General of Idaho



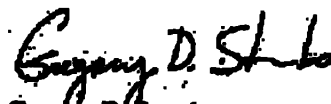
Lisa Madigan
Attorney General of Illinois



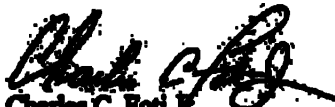
Steve Carter
Attorney General of Indiana




Tom Miller
Attorney General of Iowa




Gregory D. Stumbo
Attorney General of Kentucky

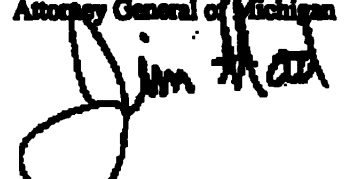

Charles C. Foti Jr.
Attorney General of Louisiana

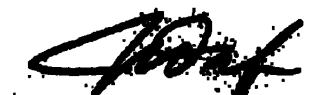

G. Steven Rowe
Attorney General of Maine



J. Joseph Curran Jr.
Attorney General of Maryland



Mike Cox
Attorney General of Michigan


Mike Hatch
Attorney General of Minnesota


Jim Hood
Attorney General of Mississippi

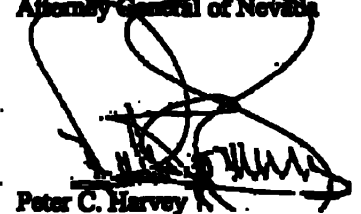

Jeremiah W. (Jay) Nixon
Attorney General of Missouri


Mike McGrath
Attorney General of Montana


Jon Bruning
Attorney General of Nebraska

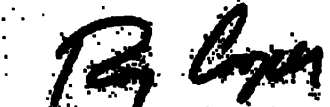

Brian Sandoval
Attorney General of Nevada


Kelly Ayotte
Attorney General of New Hampshire


Peter C. Harvey
Attorney General of New Jersey

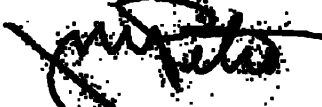

Patricia A. Madrid
Attorney General of New Mexico

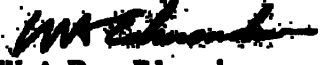

Eliot Spitzer
Attorney General of New York



Roy Cooper
Attorney General of North Carolina


Wayne Stenehjem
Attorney General of North Dakota

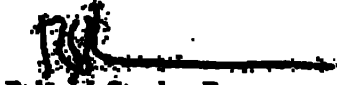

Paul Brown
Attorney General of Northern Mariana Islands


Jim Felt
Attorney General of Ohio

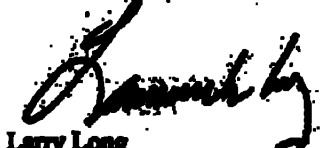

W. A. Drew Edmondson
Attorney General of Oklahoma


Hardy Myers
Attorney General of Oregon


Tom Corbett
Attorney General of Pennsylvania


Robert J. Sanchez Ramos
Attorney General of Puerto Rico


Patrick Lynch
Attorney General of Rhode Island


Larry Long
Attorney General of South Dakota



Paul G. Summers
Attorney General of Tennessee


Greg Abbott
Attorney General of Texas

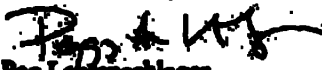

Mark Shurtleff
Attorney General of Utah

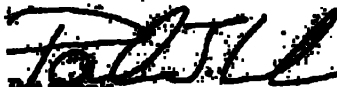

William H. Sorrell
Attorney General of Vermont

28044222431


Judith W. Jaggin
Attorney General of Virginia


Darrell Vivian McGraw, Jr.
Attorney General of West Virginia


Peg Lautenschlager
Attorney General of Wisconsin


Pat Crank
Attorney General of Wyoming

28044222432

Exhibit D
Methamphetamine

28044222433

State of New Mexico



**Office of the Attorney General
PATRICIA A. MADRID**

PRESS RELEASE

**For Immediate Release
July 14, 2004**

**Contact: Caroline Buerkle
(505) 222-9036**

**Attorney General Madrid Named Chairman of
Conference of Western Attorneys General**

(Vail, Colorado) The Conference of Western Attorneys General (CWAG) has named Attorney General Patricia Madrid the group's Chairman at the annual convention in Vail, Colorado. Attorneys General from 21 western states gathered at the convention to discuss topics on issues of critical importance to states in the region.

"I am honored to be recognized by my colleagues in this important organization," Attorney General Madrid said. "New Mexico has been a leader in many of these issues being handled by CWAG."

Attorney General Madrid announced in her acceptance speech the creation of two new committees: one to address the methamphetamine epidemic and the second to address the growing problem of underage drinking.

Among the many topics deliberated at the convention, Attorney General Madrid led a panel on current trends and developments in federal preemption as it relates to state environmental laws and energy regulation.

Conference panels talked about the growing confusion regarding Medicare Prescription Discount Cards and the potential for fraud and abuse by disreputable card issuers, an issue of importance to Attorney General Madrid.

Another issue growing in importance to western states is the topic of protecting water supplies versus protection of endangered species.

Colorado Attorney General Ken Salazar presented a special report on the 1999 Columbine High School massacre that led to a discussion of underlying issues of domestic, youth and school violence.

28044222434

Attorneys General also debated what is causing the high price of gasoline in the West and discussed the growing problem of methamphetamine abuse and how prevention, treatment and law enforcement strategies work together.

CWAG is a bipartisan group comprised of the chief legal officers of 21 western states and three Pacific territories. CWAG's primary function is to provide a forum for chief legal officers of member states and jurisdictions to cultivate knowledge, cooperate on concerns and coordinate actions, which improve the quality of legal services available to members. CWAG focuses on common areas of interest to the west: water, fish and wildlife, public lands, minerals, environmental protection and Indian Law.

#

**State of New Mexico
Office of the Attorney General
PATRICIA A. MADRID**

PRESS RELEASE

**For Immediate Release: February 21, 2005
Contact: Sam Thompson at (505) 222-9174**

**Attorney General Madrid to Conduct Meth Summit
For Conference of Western Attorneys General**

(Scottsdale, AZ)— Attorney General Patricia Madrid will conduct and moderate a summit on multi-state efforts to address the prevention, treatment and prosecution of methamphetamine manufacturing with Attorneys General from across the nation. The all-day summit, hosted by Arizona Attorney General Terry Goddard, takes place in Scottsdale on Thursday, February 24.

"Meth doesn't simply affect individuals. When meth takes hold, the problem spreads rapidly to affect entire communities, as we've seen in such isolated areas as the Navajo Nation," said Madrid. "The rampant abuse and manufacture of this toxic drug greatly impacts a community's health, social, economic and environmental well-being. As the nation's chief law enforcement officers in our respective states, we have to find ways to stop our citizens from destroying our communities through the use and manufacture of meth."

Attorney General Madrid, chair of the Conference of Western Attorneys General, will conduct discussions with state, federal and private sector participants to find uniform approaches for states to use when dealing with the problem of meth. At the summit, presentations will address federal drug control policy, law enforcement and prosecutorial issues, long term health impacts on children, environmental impacts of meth labs, and proposed cuts in grant assistance programs.

Joining Attorney General Madrid at the summit will be Attorneys General from the states of Idaho, Montana, North Carolina, North Dakota, Oklahoma, Oregon, South Dakota, West Virginia, and Manitoba, Canada. Following the presentations, the Attorneys General will hold roundtable discussions and develop an Attorneys General's Agreement of viable state approaches for addressing meth problems in their states. The agreement will be made available to the press and public at the conclusion of the summit.

#

State of New Mexico



Office of the Attorney General
PATRICIA A. MADRID

PRESS RELEASE

**For Immediate Release
February 25, 2005**

**Contact: Sam Thompson
(505) 827-6792**

**Attorneys General Call for Dramatic Measures
To Fight Methamphetamine**

Demand restrictions on sales of over-the-counter cold remedies

(Scottsdale, AZ)— Attorney General Patricia Madrid joined Arizona Attorney General Terry Goddard and eight other AGs and officials from 13 other states to attack what they called the biggest illegal drug menace in America: the use and production of methamphetamine. Heading their calls for action, they recommend making pills containing pseudoephedrine, the drug essential to producing meth, harder to obtain by placing them behind pharmacy counters and requiring buyers to show IDs and sign a log to get them.

Attorney General Patricia Madrid, the Chair of the Conference of Western Attorneys General which convened the methamphetamine summit in Arizona, said, "This was an important step in recognizing just how out-of-control this problem has become across the nation and in New Mexico. The most effective way to drive methamphetamine out of an area is to collaborate with community, business and government leaders to devise response plans, combined with effective legislation, widespread education and aggressive prosecution."

"I will also be supporting House Bill 825, sponsored by Representative John Heaton, which is modeled after the legislation passed in Oklahoma. As we've seen in that state, this bill will greatly reduce meth cooks' access to pseudoephedrine, and will curb the incidences of small, clandestine meth labs in New Mexico," said Madrid.

The Attorneys General, as the chief law enforcement officers of their states, share a deep concern for the public health and safety crisis caused by meth and a commitment to work together to combat its

—MORE—

D4

28044222437

spread. The meth summit marked the first time the Conference of Western Attorneys General has convened a special meeting to take on a drug issue.

The Attorneys General said meth is closely connected to a wide range of other crimes, including domestic abuse, child endangerment and identity theft. This highly addictive stimulant is destroying lives every day. Clandestine meth labs make neighborhoods unsafe, harm children and impose high costs on taxpayers, businesses, healthcare systems and the environment. The costs to society associated with a single neighborhood meth lab have been estimated at more than \$300,000.

The Attorneys General, along with national experts on the meth epidemic, discussed their experiences and best practices to fight this scourge. Their deliberations helped forge consensus on substantial steps to address the devastating impact of meth.

The Attorneys General recommend states take the following actions:

- Pursue a comprehensive, aggressive approach that addresses prevention through education, vigorous law enforcement and treatment of meth addiction.
- Make pills containing pseudoephedrine, the drug essential to producing meth, harder to obtain by placing them behind pharmacy counters and requiring buyers to show IDs and sign a log to get them. An Oklahoma law imposing such restrictions has produced tremendously positive results, including an 80 percent reduction in meth lab seizures. This is the single, most effective step a state can take to fight meth. Legislation to accomplish this has been introduced in 27 states. Most of these proposed laws would limit the purchase of pseudoephedrine to 9 grams (about 300 tablets) within a 30-day period.
- Do everything possible to protect children, who are often innocent victims of meth use and production. This includes updating laws governing child abuse by meth users. The law should specify that cooking meth around kids is child abuse, plain and simple.
- Step up efforts to intercept meth supplies coming from Mexico and so-called "super labs." Once the number of small meth labs within each state has been reduced, more law enforcement resources can be directed toward cutting off these outside sources of meth.
- Work with our federal partners, both in terms of new legislation and additional financial support for law enforcement.
- Mount a broad-based, grass roots prevention campaign to inform both adults and children on the dangers of meth use. In this campaign, the AGs will build coalitions with other law enforcement agencies and community organizations, including schools, Boys and Girls Clubs, service clubs, pediatricians and behavioral health professionals.

#

**State of New Mexico
Office of Attorney General
PATRICIA A. MADRID**

FOR IMMEDIATE RELEASE

March 3, 2005

Contact: Sam Thompson

(505) 827-6792

**Attorney General Patricia Madrid Announces Plans for
Statewide Methamphetamine Summit,
Supports Strong Meth Legislation**

(Albuquerque, NM)— Attorney General Patricia Madrid met with legislators today, announcing her plans to organize a statewide summit on New Mexico's methamphetamine problem. She also voiced her support for a series of bills that would address the State's epidemic methamphetamine problem.

"As Chair of the Conference of Western Attorneys General I identified meth as a major issue to be addressed by this group. Last week we convened a summit to discuss ways to contain this problem. The attorneys general gathered agreed on a number of points, the most important of which is to adopt legislation that will make pseudoephedrine harder to obtain. There is one important fact about meth – without pseudoephedrine there is no meth. Pure and simple – containing the problem means containing pseudoephedrine," said Attorney General Patricia Madrid.

Madrid continued, "Meth is a growing threat across New Mexico and across the nation. Children's lives are being threatened by their meth-cooking parents. Neighborhoods are being threatened by the explosive process of meth making in clandestine labs. Communities are being threatened by the impact of crime, violence and addiction that inevitably follows the presence of this drug. We have to find ways to halt the spread of meth in New Mexico, and I believe enacting Representative Heaton's bill is a step forward. Should neighboring states enact this legislation, as their Attorneys General are urging, and New Mexico not, we could be a leading meth producing state."

"I plan to convene a New Mexico meth summit with the objective of bringing stakeholders together to formulate plans to contain this problem throughout the state. I will be urging participation by business, law enforcement, and community leadership to learn about the impact and the dangers of meth and to work together toward a comprehensive statewide plan," Madrid said.

"The proliferation of meth labs around New Mexico is a problem for district attorneys statewide," said Lemuel Martinez, President of the District Attorneys Association. "A summit that will bring together law enforcement, prosecutors, and other stakeholders is a good step toward developing a comprehensive approach to the meth problem."

Meth has become increasingly prevalent in rural areas. Limited law enforcement resources, easy access to meth ingredients, and large open spaces make meth production harder to detect and easier access to the ingredients needed to manufacture the drug. According to the U.S. Drug Enforcement Administration ("DEA"), 12 to 14 year-olds that live in smaller towns are 104% more likely to use meth than those who live in larger cities.

D6

Statistics from the Office of National Drug Control Policy show that the number of methamphetamine cases handled by narcotics teams in New Mexico grew from 267 in 2002 to 325 in 2003. Additionally, the number of meth labs seized by DEA is steadily on the increase, from 47 in 1999, to 190 in 2003.

#

D7

28044222440

State of New Mexico



Office of Attorney General
PATRICIA A. MADRID

FOR IMMEDIATE RELEASE

October 20, 2005

Contact: Sam Thompson

(505) 222-9174

PRESS RELEASE

AG Madrid's Office Schedules Meth Summit

(Albuquerque, NM)— Attorney General Patricia Madrid will give the opening remarks at her office's Methamphetamine Training Summit for law enforcement and prosecutors. The meth summit is scheduled for Tuesday October 25 at the Embassy Suites Hotel in Albuquerque.

"Methamphetamine is a scourge on our communities," said Attorney General Madrid. "My office is hosting this meth summit to provide intensive training for law enforcement and prosecutors. Training session will include an overview of the meth problem in New Mexico, indicators of a meth lab, and investigating and prosecuting meth cases. The spread and the relative ease of manufacturing meth has caused this powerful drug to become an epidemic in our communities and a strain on our law enforcement resources."

"As I've learned from best practices discussions with my fellow attorneys general, the most effective means of addressing the meth problem is through response by the entire community. The intention of this summit is to bring our communities together to develop an approach toward this destructive problem of meth in our state," said Madrid.

Attorney General Madrid said meth is closely connected to a wide range of other crimes, including domestic abuse, child endangerment and identity theft. "This highly addictive stimulant is destroying lives every day. Clandestine meth labs make neighborhoods unsafe, harm children and impose high costs on taxpayers, businesses, healthcare systems and the environment. The costs to society associated with a single neighborhood meth lab have been estimated at more than \$300,000," said Madrid.

Meth has become increasingly prevalent in rural areas. Limited law enforcement resources, easy access to meth ingredients, and large open spaces make meth production harder to detect. According to the U.S. Drug Enforcement Administration ("DEA"), 12 to 14 year-olds that live in smaller towns are 104% more likely to use meth than those who live in larger cities.

Statistics from the Office of National Drug Control Policy show that the number of methamphetamine cases handled by narcotics teams in New Mexico grew from 267 in 2002 to 325 in 2003. Additionally, the number of meth labs seized by DEA is steadily on the increase, from 47 in 1999, to 190 in 2003.

The first half of the meth summit will consist of the following: Meth 101, Meth Watch Retail program, Drug Endangered Children, DEA perspective and trends. The final part of the training will be tailored for law enforcement and district attorney training. Law enforcement will be presented with topics such as Meth Lab safety and preservation of evidence. Participants from local District Attorney's offices will focus on preparing for a meth trial, which covers topics ranging from the need for supplemental investigations to search warrant issues.

For questions or further information about the summit, please call Alisha Ruiz at (505) 222-9047.

#

Attorney General Madrid will open the summit with her remarks at 9:00 AM. The press is invited to attend the morning sessions.

D8

28044222441

State of New Mexico



**Office of the Attorney General
PATRICIA A. MADRID**

MEDIA ADVISORY

**For Immediate Release
October 21, 2005**

**Contact: Sam Thompson
(505) 222-8174**

What: Attorney General Patricia Madrid gives the opening remarks at her Methamphetamine Training Summit for law enforcement.

When: Tuesday, October 25, 2005, 9:00 AM

Where: Embassy Suites Hotel, Sandia Ballroom
1000 Woodward Pl. NE
Albuquerque

Who: Patricia Madrid, New Mexico Attorney General

Why: The Attorney General's Office is hosting this Methamphetamine Training program targeted towards law enforcement personnel and local prosecutors. The first half of the program, which the media is invited to attend, will consist of presentations on Meth 101, the Meth Watch Retail program, and Drug Endangered Children. The final part of the training will be tailored for law enforcement and District Attorney training. Law enforcement will be presented with topics such as meth lab safety and preservation of evidence. Participants from our local District Attorney's offices will focus on preparing for a meth trial, which covers topics ranging from the need for supplemental investigations to search warrant issues.